

BOSTON and MAINE RAILROAD

118th

Annual Report

YEAR ENDING DECEMBER 31, 1950



BOARD OF DIRECTORS

PHILIP R. ALLEN *	<i>Walpole, Mass.</i>	EDGAR C. HIRST	<i>Concord, N. H.</i>
ROGER AMORY	<i>Boston, Mass.</i>	HARVEY P. HOOD	<i>Brookline, Mass.</i>
RICHARD L. BOWDITCH	<i>Cambridge, Mass.</i>	ERNEST M. HOPKINS	<i>Hanover, N. H.</i>
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T. JEFFERSON COOLIDGE *	<i>Brookline, Mass.</i>	JAMES L. MADDEN	<i>Danvers, Mass.</i>
FAIRMAN R. DICK	<i>New York, N. Y.</i>	JOHN R. McLANE *	<i>Manchester, N. H.</i>
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JAMES GARFIELD	<i>Cambridge, Mass.</i>	WILLIAM B. SKELTON	<i>Lewiston, Me.</i>
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* Member Executive Committee

OFFICERS

<i>President and Chairman of Executive Committee</i>	E. S. FRENCH
<i>Assistant to President</i>	R. M. EDGAR
<i>Executive Vice President</i>	T. G. SUGHRUE
<i>Vice President — Finance</i>	W. S. TROWBRIDGE
<i>Treasurer</i>	E. J. GALLAGHER
<i>Vice President — Purchases and Stores</i>	H. M. RAINIE
<i>Purchasing Agent</i>	G. H. BOLTON
<i>Vice President — Traffic</i>	J. W. RIMMER
<i>General Traffic Manager</i>	P. J. MULLANEY
<i>Assistant General Traffic Manager</i>	C. F. HEARD
<i>Vice President — Operations</i>	F. W. ROURKE
<i>Vice President — Accounting</i>	G. F. GLACY
<i>Vice President — On Leave of Absence</i>	J. W. SMITH
<i>Chief Engineer</i>	S. G. PHILLIPS
<i>Assistant Chief Engineer</i>	C. S. ROBINSON
<i>General Counsel</i>	R. J. FLETCHER
<i>General Attorney</i>	J. B. SAWYER
<i>General Attorney</i>	R. JACKSON
<i>Clerk of Corporation</i>	W. J. BURNS

TRANSFER AGENTS (for old stock)

Old Colony Trust Company, 45 Milk Street, Boston, Mass.
Guaranty Trust Company, 140 Broadway, New York City

TRANSFER AGENTS (for new stock when issued)

Old Colony Trust Company, 45 Milk Street, Boston, Mass.
Central Hanover Bank and Trust Company, 70 Broadway, New York City

CONDENSED INCOME ACCOUNT FOR 1950

INCOME

	1950		Increase or Decrease from 1949	Per Cent
Operating Revenues.....	\$86,580,762 40		\$ 4,341,781 54	5.28
Operating Expenses.....	66,816,462 07	d	275,110 43	.41
Net Revenue from Operations.....	\$19,764,300 33		\$ 4,616,891 97	30.48
Railway Tax Accruals.....	8,576,442 09		2,095,296 41	32.33
Railway Operating Income.....	\$11,187,858 24		\$ 2,521,595 56	29.10
Equipment and Joint Facility Rents — Net Dr.....	4,234,102 70		551,399 64	14.97
Net Railway Operating Income.....	\$ 6,953,755 54		\$ 1,970,195 92	39.53
Other Income.....	977,499 87	d	3,047 12	.31
Total Income.....	\$ 7,931,255 41		\$ 1,967,148 80	32.98

DEDUCTIONS

Rental Payments — Fixed.....	\$ 485,061 27	d \$	204,551 16	29.66
Interest on Debt — Fixed.....	2,617,415 42	d	57,228 35	2.14
Interest on Unfunded Debt.....	13,132 44	d	1,094 98	7.70
Other Deductions.....	176,607 78		33,944 00	23.79
Total Deductions.....	\$ 3,292,216 91	d \$	228,930 49	6.50
Income After Fixed Charges.....	\$ 4,639,038 50		\$ 2,196,079 29	89.89

d Indicates decrease.

Income after Fixed Charges (Available Net Income)

has been allocated in accordance with Mortgage

Indentures to the following purposes:

Sinking Fund for Redemption of Series RR Bonds.....	\$ 679,102 00
Interest on Income Bonds Series A:	
Accrued for period, Jan. 1 to Dec. 31, 1950 at $4\frac{1}{2}\%$	1,063,316 73
Sinking Fund for Redemption of Series A Bonds.....	482,870 00
Total Mortgage Allocations.....	\$ 2,225,288 73
Net Income transferred to Profit and Loss....	2,413,749 77
	<u>\$ 4,639,038 50</u>

TO THE OWNERS OF THE BOSTON AND MAINE RAILROAD:

The results of the operations of your company for the year 1950 showed operating revenues of \$86,580,762.40 and operating expenses of \$66,816,462.07. Revenues were 5.3% above those of 1949 and operating expenses were reduced 0.4% from the 1949 figures.

Income after fixed charges amounted to \$4,639,038.50, and after providing for contingent interest of \$1,063,316.73 and for sinking funds of \$1,161,972, there was left a net of \$2,413,749.77.

STATUS OF CAPITAL STOCK REORGANIZATION

On April 19, 1950 the Interstate Commerce Commission (Division 4) issued an order approving, with minor amendments, the Railroad's Plan of Modification of its Capital Stock Structure, and authorizing the Railroad to submit the Plan to the stockholders after May 19, 1950, the effective date of that order. However, the minority group opposing the Plan asked for reconsideration by the full Commission, which request stayed the order until further action could be taken by the Commission. On July 10, 1950 an order of the full Commission was issued upholding the order of April 19th by Division 4, and authorizing the Railroad to submit the Plan to its stockholders for approval or rejection.

By December 15, 1950 the Railroad had received assents covering 86.59% of prior preference stock, 79.53% of first preferred stock, 87.87% of 6% non-cumulative preferred stock, and 76.61% of common stock. The percentage of assents received being more for each class of stock than was required by the order of the Interstate Commerce Commission the submission period was declared closed December 15, 1950. Application was immediately made to the Commission for a final order approving the Plan and permitting that it be put into effect. On January 23, 1951 the full Commission issued an order finding the proposed alterations or modifications to be just and reasonable, and setting February 22, 1951 as the date the order became binding after which date the new shares were to be exchanged for the old. The changes contemplated by the Plan of Modification and approved by the Commission are effective from January 1, 1949.

On February 21, 1951, a small group of minority stockholders obtained a temporary restraining order from the U. S. District Court in Washington, D. C., resulting in a postponement of the date of consummation of the plan. You have been advised of this and subsequent developments through letters from the President.

CHANGES IN LONG-TERM DEBT

Long-Term Debt outstanding in hands of Public on December 31, 1950, amounted to \$92,032,259.77 (see note), a decrease of \$2,036,742.93 since December 31, 1949.

DECREASE IN LONG-TERM DEBT

Funded Debt reacquired:

Series RR 1st Mtge. 4% Bonds due 7/1/60	\$ 903,800.00	
Series A Income Mtge. 4½% Bonds due 7/1/70	1,054,000.00	
Mortgage 3% Bonds due 7/1/50	10,000.00	
Vermont Valley Railroad 1st Mtge. 4% Bonds due 10/1/55	33,000.00	
	<hr/>	
Decrease Funded Debt in hands of Public		\$2,000,800.00
Decrease in Equipment Obligations account installment payments during the year	\$2,940,956.93	
Increase in amount of Equipment Obligations account new equipment received during the year	2,905,014.00	\$ 35,942.93
	<hr/>	<hr/>
Net Decrease in Long-Term Debt in Hands of Public		<u>\$2,036,742.93</u>

NOTE — Long-Term Debt of \$92,032,259.77 is outstanding after deducting \$5,086,100.00 Bonds owned by the Railroad, of which \$646,000.00 is pledged with Old Colony Trust Company, Trustee, in lieu of Mortgaged Property Sold.

During the period from December 31, 1939, to December 31, 1950, outstanding funded debt, other than equipment obligations, was reduced by \$41,842,530. In addition, funded debt of leased lines, and obligations guaranteed by your company, were reduced by \$5,486,000, bringing the total system debt reduction since December 31, 1939, to \$47,328,530.

Outstanding equipment obligations during the same period increased \$3,806,963.

Computed on an annual basis, total interest charges on debt outstanding December 31, 1950, including equipment obligations, were \$2,331,903 less than in the year ended December 31, 1939, a reduction of approximately 38.8%.

TAXES

Taxes in 1950 took 43¢ out of each dollar remaining after deducting operating expenses from operating revenues. Total taxes amounted to \$8,589,582.09, which represented an increase of 32.3% over 1949. Comparison of the taxes paid for the two years is tabulated below:

	1950	1949	Inc.	% Inc.
State and Municipal Taxes	\$2,964,286.70	\$2,833,366.71	\$130,919.99	4.6
Federal Taxes, Railroad Retirement (Employees' Pensions)	2,566,306.46	2,547,100.88	19,205.58	0.8
Railroad Unemployment Insurance	213,790.81	212,484.05	1,306.76	0.6
Income Taxes	2,814,010.12	862,971.92	1,951,038.20	226.1
Other Taxes (Excise Taxes etc.)	31,188.00	38,122.12	6,934.12 D	18.2 D
Total	\$8,589,582.09	\$6,494,045.68	\$2,095,536.41	32.3
D—Decrease				

The increase in federal income taxes was due both to an increase in the tax rate and to a higher taxable income in the year. Under present tax regulations it is not expected that your company will be subject to excess profits taxes for 1950 or 1951.

Federal unemployment insurance and retirement taxes increased slightly because of the higher wage rates paid in 1950, although there were fewer employees in service than in 1949. The Railroad Retirement tax is 6% against the employer and a like amount against the employee. The unemployment insurance tax of one-half of 1% is paid by the employer alone. Both of these apply to all compensation up to \$300 per month.

Acting as an unpaid collection agency for the Federal Government, your company collected from others a total of \$9,931,093 in excise, withholding, retirement and transportation taxes.

RETURN ON INVESTMENT

Net railway operating income in 1950 amounted to \$6,953,756 which represented a return of 2.7% on \$256,572,127, the investment less depreciation in transportation property. This is an increase of 0.7% over 1949.

The rate of return earned over the past years has been wholly inadequate. It is significant that in passing the 1950 excess profits tax, Congress recognized a 6% return as that to which railroads are entitled after provision for normal income tax and before the imposition of an excess profits tax.

Comparison of return on investment for the years 1946 to 1950 is shown in the table below:

	1946	1947	1948	1949	1950
Gross Revenue	\$77,167,149	\$84,277,140	\$94,165,928	\$82,238,981	\$86,580,762
Operating Expenses	64,126,323	66,484,621	73,742,349	67,091,573	66,816,462
Net Revenues	13,040,826	17,792,519	20,423,579	15,147,408	19,764,300
Railway Tax Accruals	5,087,151	8,271,599	7,737,357	6,481,146	8,576,442
Equipment Rents	3,185,716	3,295,411	3,998,851	3,327,696	3,907,191
Joint Facility Rents	270,985	294,992	416,612	355,007	326,911
Deduction from Net Revenue	8,543,852	11,862,002	12,152,820	10,163,849	12,810,544
Net Railway Operating Income (A)	4,496,974	5,930,517	8,270,759	4,983,559	6,953,756
Investment in Transportation Property including cash, materials and supplies, less Recorded Depreciation and Amortization (B)	250,506,571	255,874,131	254,333,614	254,040,311	256,572,127
Rate of Return = A ÷ B	1.8%	2.3%	3.3%	2.0%	2.7%

Latest type of Freight Diesel



FREIGHT TRAFFIC

Freight revenue for the year was \$65,402,019.98, 6% higher than in 1949, and the second highest in the history of the company, being exceeded only by 1948.

During the first four months of the year a continuation of the declining trend in traffic which had been felt during 1949 was experienced. A reversal of this trend started in May and accelerated with the outbreak of hostilities in Korea, resulting in an increase in traffic volume from May to October of about 15% above the same period in 1949. This increase was caused in part by the movement of war materials, but to a greater extent by a general increase in industrial and individual demands for raw materials and finished goods. During the last two months of the year there was a leveling off in traffic volume principally attributable to an abnormally small movement of potatoes from the State of Maine.

There was an increase in the amount of traffic interchanged with water carriers, due to the opening of the new Hoosac Pier in August, plus the fact that the total water borne traffic through the port of Boston was heavier than in 1949. As our grain elevator at Mystic Wharf was in the process of retirement and since the Commonwealth had not completed the work necessary to make the elevator at Hoosac available, no export grain was handled through Boston during 1950. However, slightly over two million bushels of grain were moved through our Hudson River Gateways to Portland, Maine, for export through the Grand Trunk elevators.

The fuel situation in New England became somewhat more stabilized during the year. The trend toward conversion from coal to oil by utilities and industrial plants did not continue, and in some cases was actually reversed, as the competitive price position of coal improved in relation to oil. The natural gas pipe lines which are now being constructed in important sections of our territory may have some eventual adverse effect on our fuel movements.

There was no general change in the freight rate level during the year, but specific reductions were made where it was found that the higher rates resulting from previous general increases were diverting, or were threatening to divert, traffic to competitive forms of transportation.

The railroads throughout the country on January 16, 1951, filed with the Interstate Commerce Commission a petition for authority to make a general freight rate increase of 6%, with certain exceptions and

maxima, necessitated by rising costs of labor and materials. There has been a trend toward higher motor carrier rates and it is felt that with the rate adjustments which have been made since the last general increases, the proposed increase will not have an adverse effect on the competitive position of the rail carriers. The most serious highway competition continues to be caused by unregulated private trucks, contract carriers and from operations exempt from regulation in the trucking of agricultural commodities and fish.



Snow Train arrival—
North Conway, N. H.



PASSENGER TRAFFIC

Passenger revenue for the year was \$11,581,587.37, a decline of 11.1% from 1949. The number of passengers handled totaled 18,515,500 in 1950, as compared with 20,913,729 in 1949, a reduction of 11.5%.

During the year there was a sustained economy drive to eliminate lightly patronized trains. This was generally accomplished without lowering the flexibility of our service. There was inevitably some loss of patronage, mostly short haul, with the elimination of certain trains,

but the loss in revenue is insignificant as compared with the large operating savings accomplished. Many of these trains which were eliminated were mid-day, Saturday and Sunday trains in the commutation area. The program is continuing and studies of additional savings which can be made in the future by curtailments and schedule revisions are now underway.

Extensive studies were undertaken in the latter part of the year for the purpose of putting together cost data substantiating an increase in commutation fares. These studies will be completed and an application filed with the State Commissions early in 1951.

In the last half of the year there was a substantial increase in the volume of government and military travel. It is expected that this will continue to increase as our armed forces are built up.

Throughout the year efforts were continued to attract passengers to our trains by both fare and schedule adjustments. Promotion of the reduced one-day, round-trip coach and 30-day round-trip coach and parlor car fares was actively carried on. An advertising program by both newspapers and radio was undertaken to advise the public of these fares. Special excursions such as "Round The Mountain" trips, various summer excursion trains, and the "Snow Train" were operated with gratifying results. In an endeavor to determine public preferences, passengers on many trains were asked to express their views by means of questionnaires as a guide to determining the schedules which would meet with the greatest public acceptance and patronage.

EXPRESS TRAFFIC

The revenue from express was \$892,029.10, an increase of 36.6% over 1949. There was a general increase of 10% in express rates made effective April 18, 1950 and this increase coupled with a reduction in operating costs in the eastern area resulted in a larger Railway Express Agency net being available for payment to the railroads.

MILK TRAFFIC

Revenue from the transportation of milk and cream was \$1,325,-783.24, a decline of 2.7% from 1949. This was caused by a lower consumption during the first nine months, but there was a decided upward trend toward the end of the year and the outlook, both from the point of view of volume and revenue, as well as our competitive position with highway carriers is currently more favorable.

GOVERNMENT REPARATION SUITS

These proceedings which were discussed in the annual reports for 1948 and 1949 are still pending. Both the Government and the Railroads have presented their testimony in all phases, but the Government still has the privilege of submitting further evidence in rebuttal of defense presented by the Railroads. This submission is to be made in May 1951. It is impossible at this time to predict when these suits will be finally settled, or what the outcome will be.



Christmas Mail at North Station

RAILWAY MAIL PAY

On October 11, 1950, the United States Post Office Department and the railroads which were before the Interstate Commerce Commission for an increase in mail pay, came to an agreement on a retroactive settlement to cover the period February 19, 1947 to December 31, 1950. The amount due your company under this adjustment amounted to \$1,524,000. The amount of the increase in mail pay for 1951 and subsequent years is still before the Interstate Commerce Commission in the form of an application for an increase of 95% over the basis existing on January 1, 1947 modified by agreements to eliminate payments for empty return movements of storage mail cars and by addition of a new item for terminal expense in handling mail.

INDUSTRIAL DEVELOPMENT

Industrial activities along lines of the Boston and Maine increased sharply during 1950. The new permanent accounts which were located on the line are expected to produce over 10,000 cars per year of new traffic. There was an encouraging tendency on the part of many concerns to acquire sites for future new and modern plants. Sales of railroad owned land for industrial purposes completed during the year involved 1,307,546 square feet.

A most significant and encouraging industrial development was the decision of Saco-Lowell Shops of Biddeford, Maine, to start construction on a new plant in Saco. One hundred eighty acres of land were purchased, sidetracks were installed and work was begun on the new plant in December of 1950.

Competition is becoming increasingly intense as there is an ever widening interest on the part of industry to locate outside of congested areas and at locations adjacent to or within ready access of the several new arterial highway developments. Private sidetracks completed, or under construction during 1950, involved a total of 18,003 feet of track. Thirty-two concerns had over one million square feet of floor space under construction in Boston and Maine territory at the end of the year.

ACQUISITIONS AND ABANDONMENTS

Pursuant to vote of the stockholders at the 1950 annual meeting, appropriate steps were taken to sell the remaining section of the Suncook Loop to the Suncook Valley Railroad. This single track line, five miles in length, extends from Suncook to Bow Junction, New Hampshire, 1.9 miles south of Concord. It has been operated under lease by the Suncook Valley since 1936. The Interstate Commerce Commission by an order dated October 6, 1950 authorized and approved the proposed transaction which was consummated on December 26, 1950.

OPERATING RESULTS

Gross ton miles for the year 1950 were 2.3% more than in 1949. Gross ton miles produced per freight train hour increased 1.7% over the previous year. The proportion of gross ton miles handled by Diesel locomotives at the end of 1950 was 95.4%, as compared with 93.5% at the end of 1949. Of the passenger train miles 64.3% were operated with

Diesels at the end of 1950, as compared with 51.8% in 1949. In addition to operating most of the through passenger trains with Diesels a number of the local passenger trains were also operated with this type of power during 1950, due to the acquisition of additional 1500 H.P. locomotives of the dual purpose type which can be used in both freight and passenger service.

CHANGES IN EQUIPMENT

Steam locomotive ownership totaled 242 at the end of the year, 23 steam locomotives having been retired during 1950. Diesel locomotive ownership, totaling 194 units, at the end of the year is as follows:

	Owned 1/1/51		Total
	Locos.	Units	Horsepower
Road Passenger — 2000 H.P.	21	21	42,000
“ “ — 2250 H.P.	1	1	2,250
“ Freight — 2700 H.P.	24	48	129,600
“ “ — 1350 H.P.	14	14	18,900
“ “ — 3000 H.P.	4	8	12,000
“ “ — 1500 H.P.	5	5	7,500
Road Passenger or Freight — 3000 H.P.	2	4	6,000
“ “ “ “ — 2700 H.P.	3	6	8,100
“ “ “ “ — 1500 H.P.	17	17	25,500
Switchers — 1000 H.P.	28	28	28,000
“ — 660 H.P.	15	15	9,900
“ — 600 H.P.	17	17	10,200
“ — 380 H.P.	10	10	3,800
	161	194	303,750
Twenty-five Diesel units were added in 1950. These consisted of:—			
8 — 1500 H.P. — Dual Purpose Road Engines			
4 — 1500 “ — “B” Cabs			
1 — 2250 “ — Road Passenger Engine			
8 — 1000 “ — Switchers			
4 — 660 “ — Switchers			
25			

Revenue freight car ownership at the end of 1950 totaled 5,258, one hundred and eighty-five cars having been retired. Commitments were made to lease from the Equitable Life Assurance Society of the U. S. 750 new steel box cars under the Equitable’s new lease plan. Delivery is expected in the second quarter of 1951. This plan provides for rental of the cars for a term of 15 years at the end of which an option for extention of term is offered at substantially reduced rental.

Passenger car ownership at the end of the year was 1,052, eighty four cars having been withdrawn from service, all but one of which were old steel underframe cars. Of these withdrawals, 62 were scrapped, 16 were converted for use in non-revenue service, 5 were sold and one was destroyed by accident on a foreign line.

During the year 10 used air-conditioned coaches were purchased to supplement our present fleet of air-conditioned cars, and 10 Pullman tourist sleepers were converted into fully equipped main line steel baggage cars.



New general purpose 1500
h.p. Diesel shown in use between
Boston and Portsmouth, N. H.

WAGES AND WORKING RULES

Three National movements involving wages and rules which were started in 1949 carried over into 1950 and at the end of the year final settlement had not been reached in spite of Federal intervention.

An Emergency Board, appointed by President Truman, recommended against the request of the Brotherhood of Locomotive Firemen that an additional fireman be employed on multiple unit Diesels. The firemen refused to accept the recommendation of the Emergency Board and called a strike on five key railroads. The strike was termi-

nated after a few days on threat of an injunction by the Federal Government. While your company was not directly involved in this case, it was based on principles which would eventually effect the Boston and Maine as well as all other railroads operating multiple unit Diesels.

The demands of the conductors and trainmen for extensive changes in working rules, each of which meant considerable increase in operating expense to the railroads of the country, were placed before another Presidential Emergency Board. The conductors and trainmen refused to accept the recommendations of the Emergency Board and a strike vote was taken. Under this threat of a nationwide tie-up, the Government on August 27, 1950, took over the operation of the railroads, allowing existing managements to continue in charge. This Federal operation continued through the end of 1950 and the date of its termination is impossible to predict.

The request of the Brotherhood of Locomotive Enginemen and Firemen for a 5-day week in yard service was still under negotiation at the end of the year.

In January 1950 the Brotherhood of Locomotive Engineers filed a request for a 5-day week in yard service and increases in the rates of pay for all services. Another request filed in November was for a 20% increase in pay.

Employees in the non-operating unions have requested an increase of 25¢ per hour, except for the train dispatchers, who have requested an increase of \$50 a month and longer vacations with pay. The maintenance of way employees in addition to increased wages have requested changes in rules designed to stabilize employment while the carmen have asked for an adjustment in rates of pay to equalize the wages of the different classes in that group.

The national request of the yardmasters for a 5-day week resulted in a memorandum of agreement to place the 5-day week in effect on October 1, 1951, with provision for immediate increases in daily and monthly rates of pay.

There has never been a time when the demands of railroad employees have been as great or as complicated. Refusal to accept the recommendations of the Presidential Fact Finding Boards on the part of the employees in the face of willingness by the carriers to go along with the recommendations, has created a confused and dangerous situation for the owners of the railroads, as well as for the country as a whole.



**Automatic Gates Make
Safer Crossings**

ADDITIONS AND IMPROVEMENTS TO PROPERTY

The New Hampshire Division main line between Nashua and Concord, New Hampshire, was converted from double track to single track with two long passing sidings and with a modern centralized traffic control system operated from a control tower at Manchester, New Hampshire. Substantial savings in annual maintenance costs resulted from this change and a large amount of serviceable main line rail was made available for re-laying on other main line tracks. The use of this rail, together with a comparatively small tonnage of new rail carried over from 1949, satisfied the 1950 requirements.

A total of 87.5 track miles of stone ballast was resurfaced consisting of 29.4 miles on the Portland Division main line, west route and 58.1 miles on Terminal Division main line.

Tests of 1,663 track miles of rail in main lines and important branches were conducted with a rail detector car for the purpose of revealing any internal rail defects.

Extensive road-bed changes necessitated by construction of the new dam on the Connecticut River at Wilder, Vermont, were made

during the year. Five thousand one hundred seventy seven cars of rip rap were unloaded and placed between Wilder and Newbury, Vermont for protection against embankment erosion. All expense in connection with this work was recollectible from the New England Power Company.

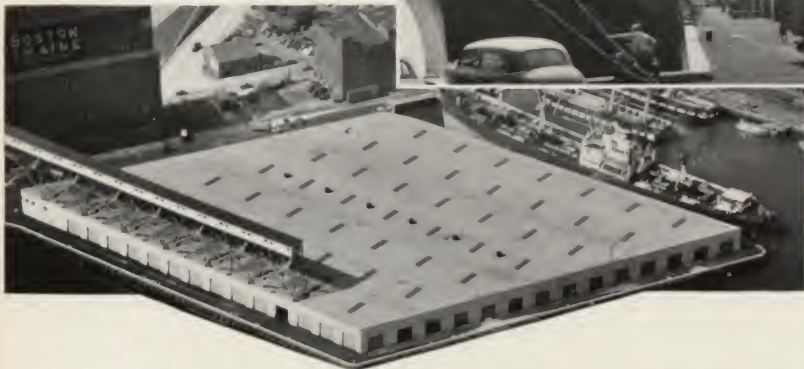
Four grade crossings located at Candia, East Candia, Newton, and Hayes, New Hampshire, were closed by the discontinuance of highways across the railroad. Work on the major grade crossing elimination project at Bridge Street in Salem, Massachusetts, progressed actively during the year, and plans for the elimination of the North Street crossing in Salem have been completed with agreements between the city of Salem, the railroad, the state and the Federal authorities.

Surveys and estimates have been started by the state to eliminate the New Hampshire Division main line grade crossing in Winchester, Massachusetts and the Trapelo Road and Lexington Street Crossings on the Fitchburg Division main line in Waverley, Massachusetts.

Automatic highway crossing protection was installed in 28 crossings. These consisted of automatic flashers and half gates at 13, automatic flashers and bells at 8, and automatic flashers at 7.

Sale of the passenger station and two adjoining parcels of land at Old Orchard Beach was completed. A real estate company will remove the old station building which was built in 1879 and will construct in its place a modern brick block of retail stores with one section made available to the railroad free in perpetuity for ticket office and waiting-room facilities. Other sales of station properties for similar types of development were in the initial stages of negotiation at the end of the year.

While not completed by the Commonwealth in 1950, Hoosac Pier was considered to be in condition suitable for operation in August, and because of the present demand for facilities in the port, the Port of Boston Authority requested that your company enter upon the pier and operate it, pending final completion, at which time obligations as lessee will be undertaken. The first ship was handled on August 10, 1950. It is hoped that the new pier and the modernized Hoosac grain elevator will be fully completed and in operation early in 1951. The Commonwealth is proceeding with work at the Mystic Docks toward the construction of a new pier at that location and meanwhile the railroad continues to operate as lessee such of the other facilities as are usable.



Top: A Pan-Atlantic Steamship Line vessel loading at Berth No. 1 of the new Hoosac Pier, Boston. The famous "Old Ironsides" and "Constellation" may be seen at left.

Right: "Gateway City" berthed on easterly side.

Bottom: A view of the new Hoosac terminal.



Cutting over to single track, Reed's Ferry, N. H.

MATERIALS AND SUPPLIES

In the first part of the year 1950 there was an extended period of suspension of work in the coal fields due to labor disputes. As a result of your company's purchases of Diesel power, however, the demand for locomotive bituminous coal was reduced. There was no change in the contract price of locomotive coal during the year, but it was necessary to pay higher prices during the strike period in order to maintain satisfactory operation.

Locomotive coal purchased during the year amounted to 233,000 net tons at an average cost f.o.b. Boston and Maine line of \$7.84 per net ton. This compares with purchase of 268,053 net tons in 1949 at an average cost of \$7.90 per net ton.

Diesel fuel oil was available in ample supply throughout the year, and purchases totaled 22,698,313 gallons at an average cost of 8.78¢ per gallon. This compares with 20,970,053 gallons purchased for use in 1949 at an average price of 8.96¢ per gallon.

During the first six months of 1950 there was a gradual reduction in prices of materials. During the last six months of 1950 however, prices increased substantially in practically all types of materials and equipment. The average weighted increase in the price of all materials and supplies (excluding locomotive coal and Diesel fuel oil) as of December 31, 1950, was 10% above the June 30, 1950 level.

The total cost of all materials and supplies purchased during the year, including fuel oil and locomotive coal, but excluding equipment purchases, was \$11,720,733, compared with \$11,845,228 in 1949.

**Train MP-2 near
Greenfield, Mass.**



As the first half of the century comes to an end, it is interesting and inspiring to review briefly a few of the outstanding developments in your company's recent corporate history.

Two of the most significant things which have happened have taken place in the financial structure of the railroad. When in 1939 it became apparent that some action had to be taken with respect to the company's funded debt if failure to meet impending maturities was to be avoided, a plan of voluntary refinancing was submitted to the bondholders. Over 94% assented to the plan which resulted in a major portion of our debt being placed in two series of mortgage bonds, the series RR First Mortgage 4% Bonds of 1960 and the series A 4½% Income Mortgage Bonds of 1970.

A most important improvement in your company's entire position has been the great reduction in long term debt outstanding, exclusive of equipment obligations, in the hands of the public. Since December 31, 1939 this has been reduced from \$123,474,630 to \$81,632,100, a total of \$41,842,530, with a reduction in annual fixed charges of \$2,305,673.

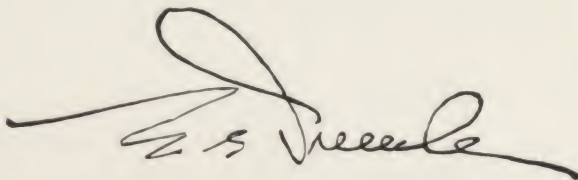
The second major financial reorganization is that with respect to your company's capital stock structure, described elsewhere in detail in this report, which is now in litigation before the U. S. District Court in Washington, D. C. The number of voluntary assents given in both of these plans has been a remarkable expression of confidence on the part of the owners and debt holders in the future of your company.

Another important step in the simplification of the capital structure of your company has been the integration of individual leased lines into the company's ownership. Since 1939, thirteen leased lines have been acquired with a resultant annual saving in rentals and taxes of \$711,658. There are today only three remaining, the Stony Brook, the Northern and the Vermont and Massachusetts.

Your company entered the second half of the Twentieth Century with a considerably better physical property than that which existed at the start of the Century. Improvements to roadbed, elimination of unprofitable lines, extension of the signal system to the point that the Boston and Maine is now one of the best signaled railroads of the country, and almost complete conversion from steam locomotives to oil-burning Diesel-electric locomotives have all combined to increase efficiency, lower operating costs and create a stronger physical structure for the future.

Once again it is a pleasure to acknowledge the friendly and understanding relationships which continue to exist between your company and its patrons, and to express appreciation to the owners, officers and employees for their continued cooperation and support.

For the Board of Directors

A handwritten signature in dark ink, appearing to read "E. S. Steele". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping underline.

President

Boston, Massachusetts
March 15, 1951

Assets

Condensed General

	Dec. 31, 1950	Dec. 31, 1949
ROAD AND EQUIPMENT		
Investment in Road	\$191,363,250 65	\$191,268,443 75
Investment in Equipment	63,955,729 84	62,341,673 69
<i>Total</i>	\$255,318,980 49	\$253,610,117 44
Improvements on Leased Property	10,057,231 52	10,020,595 84
Acquisition Adjustment	c 5,961,122 63	c 5,952,965 13
Donations and Grants	c 194,183 79	c 53,484 58
<i>Total Investment in Transportation Property</i>	\$259,220,905 59	\$257,624,263 57
Accrued Depreciation — Road and Equipment	c 22,108,072 07	c 21,319,623 07
Accrued Amortization of Defense Projects — Road and Equipment	c 10,624,214 85	c 10,646,169 63
<i>Investment in Transportation Property less Recorded Depreciation and Amortization</i>	\$226,488,618 67	\$225,658,470 87
Sinking Funds	1,240 48	1,679 32
Capital and Other Reserve Funds	850,803 82	1,025,724 02
Miscellaneous Physical Property	407,460 96	408,688 26
Investments in Affiliated Companies	2,776,236 82	2,842,638 82
Other Investments	544,255 88	347,917 38
<i>Total Investments</i>	\$231,068,616 63	\$230,285,118 67
CURRENT ASSETS		
Cash	\$ 8,654,903 42	\$ 6,823,980 81
Cash in Transit — Agents' Remittances	971,454 03	845,034 44
Temporary Cash Investments	8,101,400 00	8,015,000 00
Special Deposits	2,168,375 90	2,204,238 03
Loans and Bills Receivable	4,984 42	—
Net Balance Receivable from Agents and Conductors	2,061,256 12	1,747,155 85
Miscellaneous Accounts Receivable	4,185,057 51	2,960,018 06
Material and Supplies	4,902,708 80	5,056,082 39
Interest and Dividends Receivable	101,969 08	124,672 89
Accrued Accounts Receivable	1,902,343 26	522,412 07
Other Current Assets	20,488 52	79,799 03
<i>Total Current Assets</i>	\$ 33,074,941 06	\$ 28,378,393 57
DEFERRED ASSETS		
Working Fund Advances	\$ 17,968 09	\$ 17,581 09
Insurance and Other Funds	1,898,096 13	1,819,456 56
Other Deferred Assets	258,465 59	270,504 00
<i>Total Deferred Assets</i>	\$ 2,174,529 81	\$ 2,107,541 65
UNADJUSTED DEBITS		
Prepayments	\$ 148,171 19	\$ 225,775 16
Discount on Funded Debt	339,011 17	373,020 91
Property Retired Chargeable to Operating Expenses	911,664 90	942,789 23
Other Unadjusted Debits	373,407 81	484,782 03
Securities Issued or Assumed — Unpledged	4,704,100 00	5,453,000 00
<i>Total Unadjusted Debits</i>	\$ 6,476,355 07	\$ 7,479,367 33
<i>Grand Total</i>	\$272,794,442 57	\$268,250,421 22

c Indicates Credit Balance.

Balance Sheet

Liabilities

	Dec. 31, 1950	Dec. 31, 1949
CAPITAL STOCK		
Common Stock — 395,051 shares	\$ 39,505,100 00	\$ 39,505,100 00
Preferred Stock — 31,498 shares	3,149,800 00	3,149,800 00
First Preferred Stock — 388,179 shares	38,817,900 00	38,817,900 00
Prior Preference Stock (Includes Negotiable Receipts)	23,138,500 00	23,138,500 00
<i>Total Capital Stock</i>	(a) \$104,611,300 00	(a) \$104,611,300 00
Premiums on Capital Stock	4,227,040 14	4,227,040 14
<i>Total Capital Stock and Premiums</i>	\$108,838,340 14	\$108,838,340 14
LONG-TERM DEBT		
Funded Debt Unmatured	(b) \$ 86,718,200 00	\$ 89,482,900 00
Lease and Purchase Agreements — Equipment	10,400,159 77	10,436,102 70
<i>Total Long-Term Debt</i>	\$ 97,118,359 77	\$ 99,919,002 70
CURRENT LIABILITIES		
Traffic and Car Service Balances — Net Payable	\$ 4,720,361 12	\$ 3,965,178 36
Audited Accounts and Wages Payable	3,159,896 82	3,137,475 67
Miscellaneous Accounts Payable	2,100,209 73	2,065,335 06
Interest Matured Unpaid	1,231,543 63	1,256,867 13
Dividends Matured Unpaid	14,808 45	15,801 20
Unmatured Interest Accrued	1,161,491 07	1,206,654 39
Accrued Accounts Payable	960,921 14	1,109,059 87
Taxes Accrued	5,536,796 45	3,498,231 96
Other Current Liabilities	32,175 02	58,469 22
<i>Total Current Liabilities</i>	\$ 18,918,203 43	\$ 16,313,072 86
DEFERRED LIABILITIES		
Pension and Welfare Reserves	\$ 25,000 00	—
New York State E.G.C. Projects	315,638 81	\$ 324,212 52
Other Deferred Liabilities	99,527 59	101,909 59
<i>Total Deferred Liabilities</i>	\$ 440,166 40	\$ 426,122 11
UNADJUSTED CREDITS		
Insurance Reserves	\$ 50,000 00	\$ 50,000 00
Accrued Depreciation — Leased Property	167,392 72	113,898 61
Other Unadjusted Credits	438,741 67	290,394 98
<i>Total Unadjusted Credits</i>	\$ 656,134 39	\$ 454,293 59
SURPLUS		
Additions to Property through Income and Surplus	\$ 14,822,146 85	\$ 14,822,146 85
Funded Debt Retired through Income and Surplus	21,531,300 23	19,861,020 66
Sinking Fund Reserves	9,578 53	484,606 10
Miscellaneous Fund Reserves	1,216,026 82	1,137,387 25
Appropriated Surplus — Purchase of Leased Line Bonds	—	357,000 00
<i>Total Appropriated Surplus</i>	\$ 37,579,052 43	\$ 36,662,160 86
Unearned Surplus	598,088 04	598,088 04
Earned Surplus	(c) 8,646,097 97	(c) 5,039,340 92
<i>Total Surplus</i>	\$ 46,823,238 44	\$ 42,299,589 82
<i>Grand Total</i>	\$272,794,442 57	\$268,250,421 22

(a) Includes \$264,000.00 held by or for Company.

(b) Includes \$5,086,100.00 held by or for Company.

(c) Includes Surplus Earned by Lessor Companies before Consolidation.

Income Account

	Year ended Dec. 31, 1950	Increase or Decrease	Per Cent
TRANSPORTATION REVENUE			
Freight	\$65,402,019 98	\$3,680,154 01	5.96
Passenger	11,581,587 37	d 1,451,445 46	11.14
Baggage	30,397 92	13,405 46	78.89
Parlor and Chair Car	21,621 97	d 16,969 13	43.97
Mail	3,981,461 92	1,709,553 76	75.25
Express	892,029 10	238,976 42	36.59
Other Passenger-Train	321,420 81	20,381 50	6.77
Milk	1,325,783 24	d 36,183 18	2.66
Switching	750,296 41	20,728 49	2.84
<i>Total Transportation Revenue</i>	<i>\$84,306,618 72</i>	<i>\$4,178,601 87</i>	<i>5.21</i>
INCIDENTAL REVENUE			
Dining and Buffet	\$ 115,395 23	d\$ 14,275 09	11.01
Station and Train Privileges	131,542 02	d 12,540 23	8.70
Parcel Room	8,945 10	d 11,683 72	56.64
Storage — Freight	37,970 29	d 6,274 18	14.18
Storage — Baggage	4,218 75	d 794 24	15.84
Demurrage	338,286 18	132,176 53	64.13
Telegraph and Telephone	30,257 07	d 673 37	2.18
Grain Elevators	15,766 34	d 26,317 13	62.54
Power	75,443 57	3,711 23	5.17
Rents of Buildings and Other Property	945,666 00	30,951 77	3.38
Miscellaneous	362,028 62	73,178 02	25.33
<i>Total Incidental Revenue</i>	<i>\$ 2,065,519 17</i>	<i>\$ 167,459 59</i>	<i>8.82</i>
Joint Facility — Cr.	\$ 213,796 92	d\$ 4,580 39	2.10
Joint Facility — Dr.	5,172 41	d 300 47	5.49
<i>Total Joint Facility Operating Revenue</i>	<i>\$ 208,624 51</i>	<i>d\$ 4,279 92</i>	<i>2.01</i>
<i>Total Operating Revenues</i>	<i>\$86,580,762 40</i>	<i>\$4,341,781 54</i>	<i>5.28</i>
OPERATING EXPENSES			
Maintenance of Way and Structures	\$13,958,425 17	\$ 282,422 09	2.07
Maintenance of Equipment	12,370,938 29	d 438,609 67	3.42
Traffic	1,275,867 79	22,732 16	1.81
Transportation	35,648,919 48	d 95,132 64	.27
Miscellaneous Operations	185,784 19	d 30,870 60	14.25
General	3,376,527 15	d 15,651 77	.46
<i>Total Operating Expenses</i>	<i>\$66,816,462 07</i>	<i>d\$ 275,110 43</i>	<i>.41</i>
<i>Operating Ratio</i>	<i>(77.17%)</i>	<i>d (4.41%)</i>	
<i>Net Operating Revenue</i>	<i>\$19,764,300 33</i>	<i>\$4,616,891 97</i>	<i>30.48</i>

d Indicates decrease.

Income Account (Continued)

	Year ended Dec. 31, 1950	Increase or Decrease	Per Cent
TAX ACCRUALS	\$ 8,576,442 09	\$2,095,296 41	32.33
Operating Income	\$ 11,187,858 24	\$2,521,595 56	29.10
Rent from Locomotives	\$ 30,234 66	d\$ 1,601 08	5.03
Rent from Passenger-Train Cars	471,275 44	d 51,229 76	9.80
Rent from Work Equipment	36,372 09	d 36,427 76	50.04
Joint Facility Rent Income	411,104 96	25,173 39	6.52
Total Rent Income	\$ 948,987 15	d\$ 64,085 21	6.33
Hire of Freight Cars — Debit Balance	\$ 3,894,560 39	\$ 530,195 41	15.76
Rent for Locomotives	2,719 99	759 13	38.71
Rent for Passenger-Train Cars	547,769 62	d 40,448 53	6.88
Rent for Work Equipment	23 76	d 268 70	91.88
Joint Facility Rents	738,016 09	d 2,922 88	.39
Total Rents Payable	\$ 5,183,089 85	\$ 487,314 43	10.38
Net Rents Payable	\$ 4,234,102 70	\$ 551,399 64	14.97
Net Railway Operating Income	\$ 6,953,755 54	\$1,970,195 92	39.53
OTHER INCOME			
Income from Lease of Road and Equipment	\$ 112,126 62	\$ 110,343 18	—
Miscellaneous Rent Income	278,119 73	d 177,645 07	38.98
Miscellaneous Nonoperating Physical Property	11,173 99	d 669 01	5.65
Separately Operated Proper- ties — Profit	95,000 00	95,000 00	—
Dividend Income	98,559 00	87,833 50	818.92
Income from Funded Securities	142,005 29	d 100,665 47	41.48
Income from Unfunded Securities and Accounts	98,217 76	d 25,450 93	20.58
Income from Sinking and Other Reserve Funds	87,601 69	2,542 97	2.99
Miscellaneous Income	54,695 79	5,663 71	11.55
Total Other Income	\$ 977,499 87	d\$ 3,047 12	.31
Total Income	\$ 7,931,255 41	\$1,967,148 80	32.98

Income Account (Concluded)

	Year ended Dec. 31, 1950	Increase or Decrease	Per Cent
MISCELLANEOUS DEDUCTIONS FROM INCOME			
Miscellaneous Rents	\$ 6,769 50	d\$ 4,893 85	41.96
Miscellaneous Tax Accruals . .	13,140 00	240 00	1.86
Miscellaneous Income Charges .	19,246 99	d 1,715 00	8.18
Income Applied to Sinking and Other Reserve Funds .	116,771 50	35,906 00	44.40
<i>Total Miscellaneous Deductions</i>	<i>\$ 155,927 99</i>	<i>\$ 29,537 15</i>	<i>23.37</i>
<i>Income Available for Fixed Charges</i>	<i>\$ 7,775,327 42</i>	<i>\$1,937,611 65</i>	<i>33.19</i>
FIXED CHARGES			
Rent for Leased Roads	\$ 478,291 77	d\$ 199,657 31	29.45
Interest on Funded Debt— Fixed Interest	2,617,415 42	d 57,228 35	2.14
Interest on Unfunded Debt . .	13,132 44	d 1,094 98	7.70
Amortization of Discount on Funded Debt	27,449 29	d 487 00	1.74
<i>Total Fixed Charges</i>	<i>\$ 3,136,288 92</i>	<i>d\$ 258,467 64</i>	<i>7.61</i>
<i>Income after Fixed Charges (Available Net Income)</i>	<i>\$ 4,639,038 50</i>	<i>\$2,196,079 29</i>	<i>89.89</i>
CONTINGENT CHARGES			
Sinking Fund—Series RR Bonds	\$ 679,102 00	—	
Interest on Funded Debt— Contingent Interest	1,063,316 73	d\$ 58,543 13	
Sinking Fund—Series A Bonds	482,870 00	—	
<i>Total Contingent Charges</i>	<i>\$ 2,225,288 73</i>	<i>d\$ 58,543 13</i>	
<i>Net Income after Fixed Charges and Other De- ductions, transferred to Profit and Loss</i>	<i>\$ 2,413,749 77</i>	<i>\$2,254,622 42</i>	

d Indicates decrease.

Earned Surplus — December 31, 1950

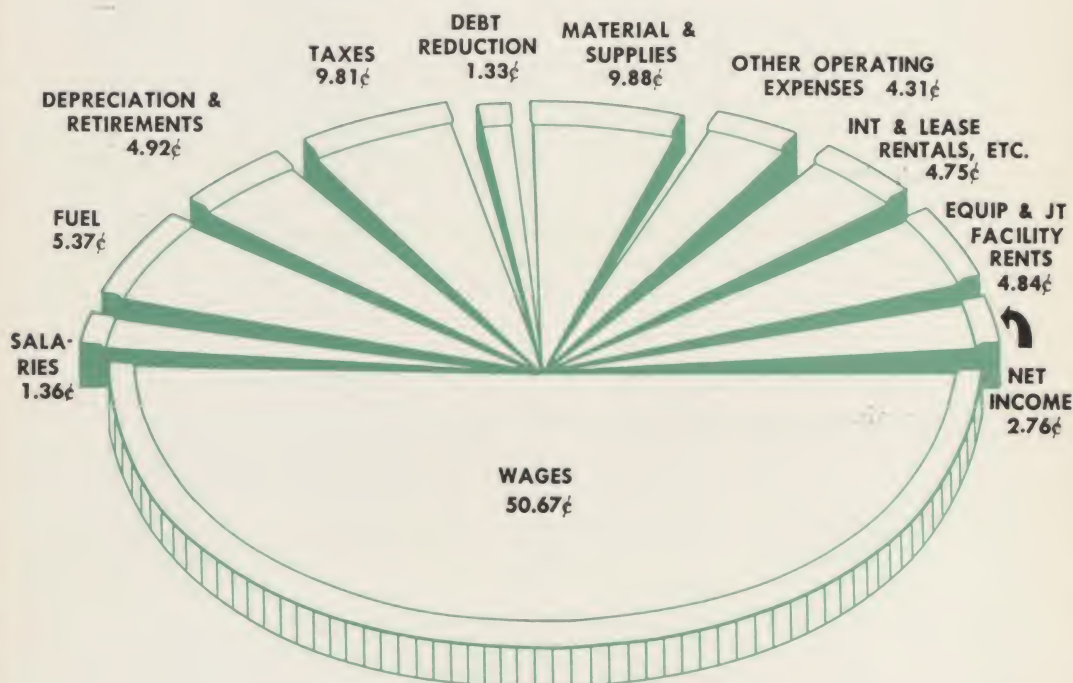
Item	Debit	Credit
Balance, December 31, 1949 (Credit)		(a) \$5,039,340 92
Credit Balance from Income Account for year 1950		2,413,749 77
Adjustment to Par of Boston and Maine Railroad Bonds purchased during 1950		770,528 93
Retired Miscellaneous Property Sold — Net		63,836 48
Book Value of Sullivan County Railroad 1st Mtge. 6% Bonds, transferred from Appropriated to Unappropriated Surplus		357,000 00
Miscellaneous Credits — Net		1,641 87
Credit Balance, December 31, 1950	(a) \$8,646,097 97	
	\$8,646,097 97	\$8,646,097 97

(a) Includes Surplus Earned by Lessor Companies before Consolidation.

DISTRIBUTION OF THE INCOME DOLLAR — 1950

Average No. of employees, 13,139

Total payroll — all services, \$47,252,717



Operating Expenses

	Year ended Dec. 31, 1950	Increase or Decrease
MAINTENANCE OF WAY AND STRUCTURES		
Superintendence	\$ 863,575 22	d \$ 9,168 91
Roadway Maintenance	1,104,506 74	48,129 51
Tunnels and Subways	45,037 78	d 4,330 06
Bridges, Trestles and Culverts	311,229 52	14,726 58
Ties	634,884 80	149,036 63
Rails	13,766 98	d 267,666 22
Other Track Material	397,083 28	d 51,909 85
Ballast	159,647 34	64,046 38
Track Laying and Surfacing	3,499,804 81	117,449 30
Fences, Snowsheds and Signs	78,437 21	d 31,495 50
Station and Office Buildings	650,387 82	d 28,303 46
Roadway Buildings	47,366 83	d 8,636 37
Water Stations	34,379 45	d 8,496 99
Fuel Stations	31,573 60	d 34,327 30
Shops and Enginehouses	547,969 60	51,969 22
Grain Elevators	9,837 31	d 2,080 27
Storage Warehouses	—	d 383 65
Wharves and Docks	24,120 75	5,585 71
Coal and Ore Wharves	18,854 30	d 26,511 72
Telegraph and Telephone Lines	85,400 83	15,365 74
Signals and Interlockers	997,891 57	88,215 01
Power Plants	10,013 93	d 2,241 70
Power-Transmission Systems	56,954 08	11,017 66
Miscellaneous Structures	308 84	58 41
Road Property — Depreciation	1,683,726 96	43,359 00
Retirements — Road	650,545 90	29,348 27
Roadway Machines	184,318 39	24,263 75
Dismantling Retired Road Property	111,291 75	d 16,915 94
Small Tools and Supplies	204,770 63	d 206 31
Removing Snow, Ice and Sand	748,797 24	157,675 09
Public Improvements — Maintenance	206,848 94	d 63,135 02
Injuries to Persons	115,456 46	37,364 42
Insurance	15,452 56	d 4,704 99
Stationery and Printing	12,014 71	d 2,069 61
Other Expenses	7,400 66	5,297 38
Maintaining Joint Tracks, Yards and Other Facilities — Dr.	535,468 04	d 8,261 98
Maintaining Joint Tracks, Yards and Other Facilities — Cr.	113,165 70	9,640 12
<i>Total Maintenance of Way and Structures</i>	\$13,958,425 17	\$282,422 09
<i>Ratio to Total Operating Revenues</i>	(16.12%)	d (.51%)

d Indicates decrease.

Operating Expenses (Continued)

	Year ended Dec. 31, 1950	Increase or Decrease
MAINTENANCE OF EQUIPMENT		
Superintendence	\$ 646,558 94	d \$ 6,145 17
Shop Machinery	193,609 74	d 40,273 37
Power-Plant Machinery	65,069 32	7,136 05
Shop and Power-Plant Machinery — Depreciation	111,145 00	9,112 00
Dismantling Retired Shop and Power- Plant Machinery	3,332 78	3,137 82
Steam Locomotives — Repairs	1,727,502 73	d 450,707 99
Other Locomotives — Repairs	2,476,701 85	451,274 18
Freight-Train Cars — Repairs	2,060,310 29	d 229,569 21
Passenger-Train Cars — Repairs	2,570,740 15	d 216,132 67
Work Equipment — Repairs	278,284 89	d 28,748 91
Miscellaneous Equipment — Repairs	7,393 64	d 1,162 58
Dismantling Retired Equipment	51,382 30	950 54
Retirements — Equipment	4,400 00	d 4,400 00
Equipment — Depreciation	1,835,203 10	146,014 40
Equipment — Amortization of Defense Projects	23,436 36	d 2,320 52
Injuries to Persons	73,677 33	d 15,163 24
Insurance	100,641 68	14,894 93
Stationery and Printing	9,698 78	d 557 77
Other Expenses	17,713 44	d 53,554 70
Joint Maintenance of Equipment Expenses — Dr.	130,441 46	d 22,742 18
Joint Maintenance of Equipment Expenses — Cr.	7,505 49	d 348 72
<i>Total Maintenance of Equipment</i>	<i>\$12,370,938 29</i>	<i>d \$438,609 67</i>
<i>Ratio to Total Operating Revenues</i>	<i>(14.29%)</i>	<i>d (1.29%)</i>
TRAFFIC		
Superintendence	\$ 510,172 27	\$ 9,632 17
Outside Agencies	419,787 62	2,359 10
Advertising	203,577 52	d 2,730 26
Traffic Associations	62,592 09	5,373 92
Industrial and Immigration Bureaus	21,259 26	1,693 66
Insurance	175 60	77 82
Stationery and Printing	58,228 43	6,250 75
Other Expenses	75 00	75 00
<i>Total Traffic</i>	<i>\$ 1,275,867 79</i>	<i>\$ 22,732 16</i>
<i>Ratio to Total Operating Revenues</i>	<i>(1.47%)</i>	<i>d (.05%)</i>

d Indicates decrease.

Operating Expenses (Continued)

	Year ended Dec. 31, 1950	Increase or Decrease
TRANSPORTATION		
Superintendence	\$ 903,641 90	d \$ 11,036 05
Dispatching Trains	383,991 71	37,788 78
Station Employees	5,648,903 27	d 90,958 37
Weighing, Inspection and Demurrage Bureaus	34,155 82	d 2,241 29
Station Supplies and Expenses	525,198 64	d 11,374 12
Yardmasters and Yard Clerks	1,164,910 22	11,303 83
Yard Conductors and Brakemen	2,166,347 69	83,102 26
Yard Switch and Signal Tenders	387,865 12	d 7,410 58
Yard Enginemen	334,751 00	d 712 85
Yard Motormen	954,302 87	61,708 27
Yard Switching Fuel	438,896 78	d 12,076 98
Water for Yard Locomotives	11,035 27	147 63
Lubricants for Yard Locomotives	22,407 83	d 3,945 33
Other Supplies for Yard Locomotives	15,651 45	81 99
Enginehouse Expenses — Yard	227,869 19	1,300 00
Yard Supplies and Expenses	82,554 61	7,277 67
Operating Joint Yards and Terminals — Dr.	2,313,145 20	d 132,918 59
Operating Joint Yards and Terminals — Cr.	402,370 03	d 8,913 89
Train Enginemen	1,338,907 70	d 202,804 97
Train Motormen	2,122,394 63	219,288 18
Train Fuel	3,580,274 85	d 196,943 03
Train Power Purchased	—	d 40,000 00
Water for Train Locomotives	84,420 15	d 2,900 31
Lubricants for Train Locomotives	189,052 90	d 13,608 92
Other Supplies for Train Locomotives	117,452 09	1,274 47
Enginehouse Expenses — Train	1,691,817 57	d 41,373 65
Trainmen	4,962,357 08	d 10,497 86
Train Supplies and Expenses	2,215,056 45	d 71,209 59
Signal and Interlocker Operation	716,273 44	31,058 23
Crossing Protection	1,522,422 76	d 21,393 99
Drawbridge Operation	62,491 74	5,896 99
Telegraph and Telephone Operation	64,332 54	5,742 82
Stationery and Printing	127,732 35	d 27,905 91
Other Expenses	36,890 49	d 3,701 93
Operating Joint Tracks and Facilities — Dr.	40,707 08	735 92
Operating Joint Tracks and Facilities — Cr.	62,574 85	2,371 09
Insurance	18,013 40	d 5,548 89
Clearing Wrecks	56,326 37	d 7,554 88
Damage to Property	30,879 42	d 36,461 63
Damage to Live Stock on Right of Way	4,501 11	d 494 57
Loss and Damage — Freight	618,155 04	d 177,074 02
Loss and Damage — Baggage	2,990 16	d 2,912 56
Injuries to Persons	894,786 47	566,678 39
<i>Total Transportation</i>	<i>\$35,648,919 48</i>	<i>d \$ 95,132 64</i>
<i>Ratio to Total Operating Revenues</i>	<i>(41.17%)</i>	<i>d (2.29%)</i>

d Indicates decrease.

Operating Expenses (Concluded)

	Year ended Dec. 31, 1950	Increase or Decrease
MISCELLANEOUS OPERATIONS		
Dining and Buffet Service	\$ 176,584 76	d \$ 15,757 13
Grain Elevators	9,192 35	d 15,109 49
Other Miscellaneous Operations	7 08	d 3 98
<i>Total Miscellaneous Operations . . .</i>	<i>\$ 185,784 19</i>	<i>d \$ 30,870 60</i>
<i>Ratio to Total Operating Revenues .</i>	<i>(.22%)</i>	<i>d (.04%)</i>
GENERAL		
Salaries and Expenses of General Officers	\$ 256,715 81	\$ 30,260 45
Salaries and Expenses of Clerks and Attendants	2,168,439 31	d 73,590 77
General Office Supplies and Expenses . .	173,060 88	12,311 24
Law Expenses	216,880 67	13,290 02
Insurance	796 92	91 93
Pensions and Gratuities	323,047 49	11,832 92
Stationery and Printing	54,134 18	d 13 438 86
Valuation Expenses	36,869 82	132 74
Other Expenses	121,501 05	3,546 04
General Joint Facilities — Dr.	25,081 02	d 87 48
<i>Total General</i>	<i>\$ 3,376,527 15</i>	<i>d \$ 15,651 77</i>
<i>Ratio to Total Operating Revenues .</i>	<i>(3.90%)</i>	<i>d (.23%)</i>
<i>Total Operating Expenses</i>	<i>\$66,816,462 07</i>	<i>d \$275,110 43</i>
<i>Ratio to Total Operating Revenues .</i>	<i>(77.17%)</i>	<i>d (4.41%)</i>

d Indicates decrease.

Capital Stock and Long-Term Debt Outstanding

CAPITAL STOCK	Amount Outstanding	Dividend Rate
Prior Preference	\$ 23,136,100 00	7 %
Prior Preference Negotiable Receipts	2,400 00	7 %
First Preferred Class A	18,860,000 00	5 %
“ “ “ B	7,648,800 00	8 %
“ “ “ C	7,917,100 00	7 %
“ “ “ D	4,327,000 00	10 %
“ “ “ E	65,000 00	4½ %
Preferred	3,149,800 00	6 %
Common	39,505,100 00	
	\$104,611,300 00	

LONG-TERM DEBT	Amount Outstanding
Bonds secured by Mortgage dated December 1, 1919, supplemented as of July 1, 1940	
Series II	\$ 1,237,000 00
“ RR	55,995,700 00
“ JJ	902,000 00
“ AC	3,065,000 00
Income Mortgage “ A	25,261,500 00
Vermont Valley Railroad 1st Mortgage Bonds	c 257,000 00
<i>Total Mortgage Bonds</i>	\$86,718,200 00
Lease and Purchase Agreements — Equipment	10,400,159 77
<i>Grand Total Long-Term Debt</i>	\$97,118,359 77

Capital Stock Outstanding December 31, 1950—Leased Roads

CAPITAL STOCK	Amount Outstanding	Dividend Rate (Paid as rental)	Owned, Held in Treasury or Insurance Fund
Stony Brook	\$ 300,000 00	7%	\$ 38,700 00
Northern	3,068,400 00	6%	989,900 00
Vermont and Massachusetts	3,193,000 00	6%	600,100 00
<i>Total Capital Stock</i>	\$6,561,400 00		\$1,628,700 00

December 31, 1950—Owned Road

Cumulative Dividends Unpaid Since †Jan. 1, 1932 — *Oct. 1, 1931	Amount in Hands of Public	Owned, Deposited with Trustee, or Held in Treasury**
†\$133 00 per share \$30,508,870 00	\$ 22,939,000 00	\$ 197,100 00
†\$133 00 " " 3,192 00	2,400 00	
*\$ 96 25 " " 18,127,821 25	18,834,100 00	25,900 00
*\$154 00 " " 11,779,152 00	7,648,800 00	
*\$134 75 " " 10,660,746 25	a 7,911,500 00	5,600 00
*\$192 50 " " 8,323,507 50	4,323,900 00	3,100 00
*\$ 86 625 " " 56,306 25	65,000 00	
Non-cumulative	3,149,800 00	
	39,472,800 00	32,300 00
	\$104,347,300 00	\$ 264,000 00

Date of Maturity	Rate		
May 1, 1955	5 %	\$ 1,237,000 00	
July 1, 1960	4 %	53,623,100 00	\$2,372,600 00
April 1, 1961	4 ³ / ₄ %	897,000 00	b 5,000 00
September 1, 1967	5 %	2,424,000 00	b 641,000 00
July 1, 1970	4 ¹ / ₂ %	23,194,000 00	2,067,500 00
October 1, 1955	4 %	257,000 00	
		\$ 81,632,100 00	\$5,086,100 00
Various	Various	10,400,159 77	
		\$ 92,032,259 77	\$5,086,100 00

** No interest.

a Includes 12 shares held for conversion of Concord & Montreal Railroad Stock.

b Deposited with and held by Trustee in Lieu of Mortgaged Property Sold, to release would require cash payment at par.

c Issued under Vermont Valley Railroad Mortgage dated October 1, 1940, assumed on December 31, 1949.

Miles of Road Operated, December 31, 1950

STEAM ROADS	Owned	Leased	Total
Main Lines	877 68	137 20	1,014 88
Branch Lines	609 14	4 32	613 46
Trackage Rights	—	74 00	74 00
<i>Total Road Operated</i>	1,486 82	215 52	1,702 34
Second Track	455 92	a 79 86	535 78
Third Track	8 06	b 7 69	15 75
Other Tracks	878 94	98 82	977 76
<i>Total Track Operated</i>	2,829 74	401 89	3,231 63

a Includes trackage rights 13.17 miles.

b Includes trackage rights .99 mile.

Additions and Betterments (Operating Property)—December 31, 1950

TITLE ACCOUNT		Gross Expenditures	Property Retired	Net Capital Changes
ROAD				
1	Engineering	\$ 62,074 15	\$ 60,791 02	\$ 1,283 13
2	Land for Transportation Purposes	12,824 01	92,835 56	105,659 57
2½	Other Right-of-Way Expenditures	—	406 00	406 00
3	Grading	21,864 15	94,559 63	72,695 48
5	Tunnels and Subways	—	932 00	932 00
6	Bridges, Trestles and Culverts	95,673 11	154,653 88	58,980 77
8	Ties	16,047 60	101,718 31	85,670 71
9	Rails	112,836 46	341,430 27	228,593 81
10	Other Track Material	279,489 35	276,037 36	4,451 99
11	Ballast	26,070 35	91,945 44	65,875 09
12	Track Laying and Surfacing	52,405 55	95,188 53	42,782 98
13	Fences, Snowsheds and Signs	5,894 58	3,734 42	2,160 16
16	Station and Office Buildings	105,964 79	160,503 97	54,539 18
17	Roadway Buildings	5,558 80	14,218 97	8,660 17
18	Water Stations	7,966 83	33,646 66	25,679 83
19	Fuel Stations	253 30	8,725 05	8,978 35
20	Shops and Enginehouses	159,933 67	210,313 16	50,379 49
23	Wharves and Docks	971 00	—	971 00
26	Telegraph and Telephone Lines	8,820 08	4,590 43	4,229 65
27	Signals and Interlockers	847,254 82	104,529 16	742,725 66
29	Power Plants	120 76	—	120 76
31	Power-Transmission Systems	59,169 72	8,660 01	50,509 71
35	Miscellaneous Structures	2,662 23	274 13	2,388 10
37	Roadway Machines	140,220 09	16,883 83	123,336 26
38	Roadway Small Tools	985 54	61 92	923 62
39	Public Improvements — Construction	102,315 43	46,278 22	56,037 21
44	Shop Machinery	27,783 26	48,257 52	20,474 26
45	Power-Plant Machinery	4,282 81	28,741 44	24,458 63
<i>Total Road</i>		\$2,133,287 82	\$1,998,916 89	\$ 134,370 93
EQUIPMENT				
51	Steam Locomotives	\$ 7,164 75	\$ 604,231 38	\$ 611,396 13
52	Other Locomotives	3,246,046 43	74,921 95	3,171,124 48
53	Freight-Train Cars	36,497 02	451,209 27	414,712 25
54	Passenger-Train Cars	407,442 05	972,520 47	565,078 42
57	Work Equipment	140,030 13	102,670 98	37,359 15
58	Miscellaneous Equipment	4,223 50	7,464 18	3,240 68
<i>Total Equipment</i>		\$3,827,074 38	\$2,213,018 23	\$1,614,056 15
GENERAL EXPENDITURES				
72	General Officers and Clerks	—	\$ 235 00	\$ 235 00
73	Law	—	206 74	206 74
74	Stationery and Printing	—	14 00	14 00
75	Taxes	—	78 00	78 00
76	Interest during Construction	—	2,345 61	2,345 61
77	Other Expenditures — General	—	49 00	49 00
<i>Total General Expenditures</i>		—	\$ 2,928 35	\$ 2,928 35
<i>Totals</i>		\$5,960,362 20	*\$4,214,863 47	\$1,745,498 73

* DISPOSITION OF CREDITS

Account No.		
701	— Road and Equipment Property — (Equipment Converted)	\$ 62,955 40
702½	— Accrued Depreciation — Road and Equipment — Owned Road	2,688,147 44
705	— Miscellaneous Physical Property	3,649 00
708	— Cash — (Land, Buildings, Equipment, Rail and Track Fastenings Sold)	406,580 85
716	— Material and Supplies — (Usable Material)	214,078 41
779	— Accrued Depreciation — Leased Property	102,301 89
531	— Operating Expenses	714,271 74
621	— Profit and Loss — Miscellaneous Debits	22,878 74
<i>Total Amount credited to Investment in Road and Equipment</i>		\$4,214,863 47

Operating Statistics

	Year ended Dec. 31, 1950	Increase or Decrease
AVERAGE MILES OF ROAD OPERATED		
Freight service	1,699.30	23.77
Passenger service	1,404.90	.10
<i>Total</i>	1,710.65	23.77
TRAIN MILEAGE		
Freight service (with locomotives)	3,253,539	3,237
Passenger service (with locomotives)	6,039,221	310,856
Passenger service (without locomotives)	213,609	54,439
Work service	92,878	23,443
<i>Total train miles</i>	9,599,247	391,975
* LOCOMOTIVE MILEAGE		
Freight service	3,512,330	1,264
Passenger service	6,235,217	329,850
Train switching	282,534	9,240
Yard switching	2,209,050	5,418
Work service	148,453	40,496
<i>Total locomotive miles</i>	12,387,584	367,788
CAR MILEAGE		
Freight-Train Car Miles:		
Loaded	126,648,152	4,962,162
Empty	54,025,635	3,858,145
Caboose	3,327,315	43,576
<i>Total freight-train car miles</i>	184,001,102	1,060,441
Passenger-Train Car Miles:		
Passenger coaches	17,040,705	1,523,142
Sleeping and parlor cars	3,464,072	256,698
Club, lounge, dining and observation cars	160,885	47,127
Business cars	10,924	839
Mail, express, and baggage cars, and combination cars other than passenger	14,995,507	519,449
Combination passenger cars (mail, express, or baggage with passenger)	3,962,159	389,013
<i>Total passenger-train car miles</i>	39,634,252	2,221,194
<i>Total transportation service car miles</i>	223,635,354	1,160,753
AVERAGES		
Operating revenues per mile of road	\$50,612.79	\$3,196.95
Operating expenses per mile of road	39,059.11	376.68
Net railway operating income per mile of road	4,064.98	1,191.65
Operating revenues per train mile	\$ 9.11	\$.78
Operating expenses per train mile	7.03	.24
Net railway operating income per train mile73	.23
Total freight cars per revenue train mile	55.53	.39
Loaded freight cars per revenue train mile	38.93	1.56
Empty freight cars per revenue train mile	16.61	1.16
Total passenger cars per train mile	6.34	.02

* Includes 8,479,588 Diesel Locomotive Miles.
Italics indicate decrease.

Traffic Statistics

	Year Ended Dec. 31, 1950	Increase or Decrease
FREIGHT		
Freight Revenue	\$ 65,402,020	\$ 3,680,154
Tons of revenue freight carried	19,550,795	848,963
Tons of company freight carried	1,198,378	26,237
<i>Total tons of freight carried</i>	<i>20,749,173</i>	<i>875,200</i>
Tons of revenue freight carried one mile	3,197,997,970	160,501,064
Tons of company freight carried one mile	80,723,068	8,816,434
<i>Total tons of freight carried one mile</i>	<i>3,278,721,038</i>	<i>151,684,630</i>
PASSENGER		
Passenger Revenue:		
Monthly commutation ticket passengers	\$ 1,143,800.59	\$ 84,252.48
All other commutation ticket passengers	1,771,348.08	68,057.96
Single fare ticket passengers (not including interline)	5,051,074.14	1,101,043.03
Interline ticket passengers.	3,615,364.56	334,207.91
<i>Total passenger revenue</i>	<i>\$11,581,587.37</i>	<i>\$1,451,445.46</i>
Number of Passengers Carried:		
Monthly commutation ticket passengers	3,923,800	362,773
All other commutation ticket passengers	7,737,252	114,392
Single fare ticket passengers (not including interline)	5,715,174	1,732,059
Interline ticket passengers.	1,139,274	189,005
<i>Total number of passengers carried</i>	<i>18,515,500</i>	<i>2,398,229</i>
Number of Passengers carried one mile:		
Monthly commutation ticket passengers	94,580,633	9,055,028
All other commutation ticket passengers	80,701,351	853,057
Single fare ticket passengers (not including interline)	173,311,182	44,944,798
Interline ticket passengers.	105,815,185	21,531,574
<i>Total number of passengers carried one mile.</i>	<i>454,408,351</i>	<i>74,678,343</i>
Number of passengers to and from Boston, including monthly ticket passengers	18,048,169	2,003,260
AVERAGES		
Freight:		
Miles hauled — revenue freight	163.57	1.15
Tons of revenue freight per train mile	982.93	50.26
Tons of revenue freight per loaded car mile	25.25	.29
Revenue per ton of freight	\$ 3.34524	\$.04493
Revenue per ton per mile (cents)	2.045	.013
Revenue per revenue train mile	\$ 20.102	\$ 1.150
Freight revenue per loaded car mile. (cents)	51.641	.919
Passenger:		
Average distance carried per passenger (miles)	24.54	.76
Number of passengers per train mile	72.67	7.28
Number of passengers per car mile	18.57	1.68
Revenue per passenger (cents)	62.55	.23
Revenue per passenger mile, monthly commutation ticket passengers. (cents)	1.209	.024
Revenue per passenger mile, other commutation ticket passengers (cents)	2.195	.062
Revenue per passenger mile, single fare not including interline (cents)	2.914	.095
Revenue per passenger mile, interline passengers (cents)	3.417	.316
Revenue per passenger mile, all passengers (cents)	2.549	.086
Passenger revenue per passenger car mile (cents)	47.336	2.556
Total passenger service train revenue per train mile	\$ 2.903	\$.232

Italics indicate decrease.

CARLOADS HAULED IN 1950



402,143

CARS OF MANUFACTURERS
AND MISC.



78,200

CARS OF PRODUCTS
OF AGRICULTURE



100,034

CARS OF PRODUCTS
OF MINES



55,491

CARS OF PRODUCTS
OF FORESTS



41,475

CARS OF ANIMALS
AND ANIMAL PRODUCTS

TOTAL 677,343

BOSTON AND MAINE RAILROAD

PROGRESS IN OPERATING EFFICIENCY

FREIGHT SERVICE

	1950	1949	1940	% Change 1950 over 1949	% Change 1950 over 1940
Ave. Gross Tons per Train..	2,398	2,344	1,973	2.3	21.5
Ave. Miles per Train Hour..	15.7	15.8	14.2	d0.6	10.6
Gross Ton Miles per					
Train Hour (A)	37,648	37,064	27,996	1.6	34.5
Ave. Net Tons per Train Mile	1,009	962	736	4.9	37.1
Tons per Loaded Car . . .	25.9	25.7	21.5	0.8	20.5
Net Ton Miles per Car					
per Day	830	790	560	5.1	48.2
Miles per Car per Day . .	45.7	45.4	38.7	0.7	18.1
Miles per Locomotive					
per Day	98.1	87.9	70.3	11.6	39.5
Ratio of Locomotive Miles					
to Train Miles	1.080	1.079	1.213	0.1	d11.0
Per Cent Freight Cars					
Unserviceable (B) . . .	3.9	3.2	4.8	21.9	d18.7
Per Cent Freight Locomotives					
Unserviceable (B) . . .	10.4	12.7	26.9	d18.1	d61.3

d-Decrease

In 1940 all gross ton miles were handled by steam power and in 1949, 7.8% were handled by steam, and 92.2% by Diesel power. For the year 1950 the figures are 5.1% and 94.9% respectively.

If the gross ton miles produced by Diesels in 1950 had been produced by steam locomotives at the 1940 unit of consumption per 1000 Gross Ton Miles and at present day coal prices, the fuel cost would have been about \$2,200,000 more than actually paid for Diesel Oil in 1950.

(A) Train hour production is the average train load times the average train speed.

(B) Undergoing or awaiting repairs or possible retirement.





RAILROAD

"MINUTE MAN SERVICE"